

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF TRI-VILLAGE WATER)	
DISTRICT, OWEN, GALLATIN AND GRANT)	
COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY)	
AUTHORIZING CONSTRUCTION OF MAJOR)	CASE NO.
ADDITIONS AND IMPROVEMENTS TO ITS WATER)	93-256
DISTRIBUTION SYSTEM; (2) SEEKING APPROVAL)	
OF REVISED WATER SERVICE RATES AND)	
CHARGES; AND (3) SEEKING APPROVAL OF THE)	
ISSUANCE OF CERTAIN SECURITIES)	

O R D E R

On July 20, 1993, Tri-Village Water District ("Tri-Village") filed an application for a Certificate of Public Convenience and Necessity to construct a \$421,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. The proposed project includes the construction of a 177,000-gallon standpipe, 9,160 feet of 6-inch water line, 12,820 feet of 4-inch water line and a booster chlorination station. Project funding includes a \$249,000 loan from the Farmers Home Administration ("FmHA") and a \$172,000 grant from FmHA. The loan will be for a 40-year period at an interest rate of 5 percent per annum. The Kentucky Infrastructure Authority will provide interim financing for the proposed project through a short-term loan at an interest rate not to exceed 6 1/2 percent per annum.

Tri-Village's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water

districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on July 20, 1993, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Tri-Village is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Tri-Village's proposed plan of financing with FmHA is accepted.

3. Tri-Village shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

5. Tri-Village shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. Tri-Village shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Tri-

Village shall take immediate action to bring the system into compliance with Commission regulations.


Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 19th day of August, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-256 DATED AUGUST 19, 1993.

The following rates and charges are prescribed for the customers in the area served by Tri-Village Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates: Monthly

First 2,000 gallons	\$13.70 Minimum Bill
Next 4,000 gallons	4.05 per 1,000 gallons
Next 4,000 gallons	3.90 per 1,000 gallons
Next 10,000 gallons	3.75 per 1,000 gallons
Over 20,000 gallons	3.45 per 1,000 gallons